

Hearing:
June 30, 1998

Paper No. 24
HRW

THIS DISPOSITION IS NOT
CITABLE AS PRECEDENT OF THE TTAB MARCH 16, 99
U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

IDV North America, Inc., substituted for
The Paddington Corporation¹

v.

Chatam International Incorporated

Opposition No. 101,522
to application Serial No. 74/584,274
filed on October 11, 1994

Albert Robin of Robin, Blecker, Daley & Driscoll
for IDV North America, Inc.

Stephen J. Meyers of Seidel, Gonda, Lavorgna & Monaco, P.C.
for Chatam International Incorporated.

Before Simms, Walters and Wendel, Administrative Trademark
Judges.

Opinion by Wendel, Administrative Trademark Judge:

Chatam International Incorporated has filed an
application to register the mark GOLDSTRASSEN for liqueur.²

¹ In view of the copy of the certificate of merger submitted by
opposer, whereby opposer was merged into IDV North America, Inc.
on July 1, 1997, the latter entity has been substituted as
opposer herein.

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IDV North America, Inc. has filed an opposition to registration of the mark on the ground of likelihood of confusion, under Section 2(d) of the Trademark Act. Opposer alleges use since prior to October 11, 1994 of the mark GOLDSCHLÄGER for a cinnamon schnapps liqueur, ownership of a registration for the mark for liqueur,³ and the likelihood of confusion in view of the similarity of applicant's GOLDSTRASSEN mark to opposer's GOLDSCHLÄGER mark.

Applicant, in its answer, denied the salient allegations of the notice of opposition.

The record consists of the file of the involved application; the trial testimony taken by opposer of Mark Teasdale, Vice-President of Marketing of The Paddington Corporation, and accompanying Exhibits 1-7 of opposer and Exhibits A-C introduced by applicant on cross-examination; the trial testimony taken by applicant of Norton Cooper, Chief Executive Officer and President of applicant and accompanying exhibits E-P. Both parties filed briefs on the case and participated in an oral hearing.

² Ser. No. 74/584,274, filed October 11, 1994, on the basis of a bona fide intention to use the mark in commerce.

³ Reg. No. 1,777,387, issued June 15, 1993 for the mark GOLDSCHLÄGER in the stylized form shown below, claiming a date of first use of April 13, 1992 and a date of first use in commerce of October 6, 1992.

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Mark Teasdale, in his testimony for opposer, described his new brand presentation to management in 1991 for a cinnamon schnapps liqueur to be called GOLDAMMER, which, after a request from IDV, then the parent company of The Paddington Corporation, was changed to GOLDSCHLÄGER, the term "schläger" being the German word for "hammer." Mr. Teasdale testified that the new product was to have a unique packaging in that it would have flakes of gold suspended in the liqueur, a cinnamon red hot flavor, and a proof of 107.⁴ The target consumers were males in the age group from legal drinking age to 35.

Mr. Teasdale described the introduction by The Paddington Corporation of its GOLDSCHLÄGER cinnamon flavored schnapps in October 1992 and the success of this launch, with sales going from \$6.75 million in 1993 to in excess of \$28 million in 1995 and in excess of \$25 million in 1996. He further described the many advertising and promotional activities undertaken in connection with the new liqueur, including a GOLDSCHLÄGER blimp which toured the country, advertising in magazines, and promotional offerings, both in "off premises" locations such as liquor stores and particularly in "on premises" locations such as bars, of items including swirling glasses, hats, T-shirts and the

⁴ Although originally marketed with this proof, the version sold since 1996 is 87 proof.

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like, with many of the promotional displays being introduced as exhibits. He quoted advertising and promotional expenses going from \$350,000 in 1992 to over \$6 million in 1995 and \$5.25 million in 1996.

Mr. Teasdale also testified with respect to a settlement agreement entered into with Charles Jacquin et Cie (Jacquin), a company related to applicant, after Jacquin began using the mark GOLDHAMMER for a cinnamon liqueur in a trade dress similar to opposer's. By this agreement, dated November 30, 1994, Jacquin agreed not to use the GOLDHAMMER mark and trade dress any more, but was permitted to dispose of its present inventory provided the bottles were relabeled with the mark GOLDLAKEN.

Norton Cooper testified as CEO and president of both applicant and Jacquin, applicant being the holding company owning all the stock and all the trademarks of Jacquin and Jacquin being the producer of liqueurs and spirits. He stated that he was the creator of the new product GOLDSTRASSEN, which, although still at the formative stage, would probably be a 100-proof peppermint schnapps with gold flakes suspended in it and which would be promoted under a "street of gold" concept, "strassen being the German word for "street."

Mr. Cooper described the use by others of marks for liqueurs which include the term "Gold" and introduced

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photographs of individual bottles of other brands of cinnamon schnapps, namely GOLD RUSH, GOLDWASSER, and GOLD STRIKE, all of which have gold flakes suspended therein, as well as of other types of liquor such as FIESTA TEQUILA GOLD 2000 and NATASHKA VODKA GOLD 2000. In addition he identified photographs taken in various liquor stores showing the side-by-side display of different liqueurs with gold flakes in them, including opposer's GOLDSCHLÄGER, applicant's GOLDLAKEN, and the third-party brands GOLD RUSH and GOLD STRIKE. Finally, he identified a copy of a 1996 annual summary of liquor sales in the 17 states in which sale of liquor is controlled by the government, showing sales data for GOLDSCHLÄGER, GOLDLAKEN, GOLD RUSH, GOLD STRIKE and other third-party GOLD- liqueurs.

On cross-examination Mr. Cooper acknowledged that he was aware of opposer's GOLDSCHLÄGER product before Jacquin's GOLDHAMMER product was introduced, but stated that he did not realize that the marks had the same meaning. He testified that the product relabeled under the mark GOLDLAKEN was not successful and that the remaining inventory had been destroyed.

Priority is not an issue here, in view of opposer's introduction during the testimony of Mr. Teasdale of a status and title copy of its pleaded registration for

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GOLDSCHLÄGER. King Candy Co., Inc. v. Eunice King's Kitchen, Inc., 496 F.2d 1400, 182 USPQ 108 (CCPA 1974).

Thus, we turn to the issue of likelihood of confusion and to those of the du Pont factors⁵ which we find relevant to our determination.

The goods of the parties are obviously identical and, accordingly, would travel in the same channels of trade and be encountered by the same purchasers, either in connection with "off-premise" sales in liquor stores or "on-premise" sales in bars, restaurants and the like. Moreover, since the goods are not only both liquor products, but both liqueurs, the degree of similarity of the marks required to sustain a claim of likelihood of confusion necessarily is much less than in the case of more divergent goods. See Century 21 Real Estate Corp. v. Century Life of America, 970 F.2d 874, 23 USPQ2d 1698 (Fed. Cir. 1992); Jules Berman & Associates, Inc. v. Consolidated Distilled Products, Inc., 202 USPQ 67 (TTAB 1979).

Looking to the marks, opposer argues that the fact that both marks are three-syllable terms consisting of the combination of the English word "Gold" and a German two-syllable word beginning with the letter "S" would make the marks confusingly similar both in appearance and sound.

⁵ In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

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Opposer contends that the similarity in sound is particularly significant in view of the frequent sale of its liqueur in the noisy atmosphere of a bar.

Applicant, on the other hand, insists that the marks GOLDSCHLÄGER and GOLDSTRASSEN have obvious phonetic differences, which in itself should preclude the "noisy bar" scenario of opposer. If not, applicant points to the appearances of the marks, which applicant considers sufficient to avoid consumer confusion. In addition, applicant notes that the two German words have different meanings, "strassen" meaning "street" and "schläger" meaning "hitter, striker, batsman."⁶ All of these factors, argues applicant, would result in different commercial impressions for the marks.

Opposer, in reply, argues that the differences in meaning of the two German words are not likely to have a significant impact on customers in the United States, that these persons are more apt to perceive the respective marks simply as ending in a two-syllable German word beginning with "S". Opposer contends that applicant cannot rely upon the ability of a person fluent in German to distinguish

⁶ Applicant cites Cassel's German-English Dictionary (1978) for these definitions. Although not previously made of record, the Board can take judicial notice of the definitions. See Marcal Paper Mills, Inc. v. American Can Co., 212 USPQ 852 (TTAB 1981).

between the two meanings to overcome the likelihood of confusion.

In the first place, this is not a situation in which one mark consists of a foreign word and the other mark an English word so that under the doctrine of foreign equivalents, the foreign word must be translated into English for purposes of the 2(d) analysis. See *In re Sarkli Ltd.*, 721 F.2d 353, 220 USPQ 111 (Fed. Cir. 1983). Even under those circumstances, there are some foreign terms that would not be translated by those familiar with the language and accordingly, are considered as is. See *In re Tia Maria, Inc.*, 188 USPQ 524 (TTAB 1975)[unlikely that persons would translate TIA MARIA and as a result assume that AUNT MARY'S canned fruits and vegetables were associated with TIA MARIA restaurant services].

Instead, here we are faced with two hybrid marks, both consisting of the English prefix GOLD and a two-syllable German suffix beginning with the letter "S". To an appreciable number of persons in the United States not familiar with the German language, although the terms "schläger" and "strassen" might be perceived as German words or at least German-sounding words, the distinctions in meaning would be lost. See *Jules Berman & Associates, Inc. v. Consolidated Distilled Products*, supra [since average purchaser would not be aware that CHULA is a Spanish word

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with distinct meaning while KAHLUA is a arbitrary term with no meaning in Spanish, both marks would conjure up a similar Spanish or Mexican impression when used on coffee liqueurs]. See also *Bottega Veneta, Inc. v. Volume Shoe Corporation*, 226 USPQ 964 (TTAB 1985) [appreciable number of persons in the United States would not be familiar with meanings of two terms VENETO and VENETA in the Italian language, and would simply view the terms as Italian-sounding words].

Thus, we make our comparison of the marks on the basis that both marks would be viewed by potential purchasers as a composite of the word GOLD, an obvious reference to the gold flakes present in the liqueur, and a two-syllable German-sounding word beginning with "S". Although there are phonetic differences between "schläger" and "strassen", we do not find these sufficient to override the similar overall commercial impressions created by the two marks. See *Bottega Veneta, Inc. v. Volume Shoe Corporation*, supra at 970 [marks BORSA VENETO and BOTTEGA VENETA, both composed of two Italian-sounding words and both having identical first initials B and V, are likely to be confused when used on identical goods]. Furthermore, taking into consideration the general fallibility of purchasers to recall trademarks accurately, especially if a foreign word is involved, we believe that these purchasers having previously consumed GOLDSCHLÄGER liqueur, or at least having come into contact

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with the extensive promotional activities of opposer with respect to the liqueur, could easily be misled upon encountering GOLDSTRASSEN liqueur. Although this likelihood of confusion might be greater in the "noisy bar" setting, we find the similarities in the marks such that even if both marks were displayed side-by-side in a liquor store, purchasers might not be able to recall the exact mark on the liqueur of their prior experience and mistakenly select GOLDSTRASSEN liqueur, believing it to be GOLDSCHLAGER. This would be especially true if only one of the two liqueurs were being offered by a particular store.

Admittedly applicant has made of record evidence by use by third parties of other GOLD marks for the identical goods. Applicant argues that on the basis of this evidence opposer's mark should be treated as a weak mark and allowed only a limited scope of protection. Opposer counters with the argument that the fact that third-party marks containing the word GOLD in combination with other elements are used on liqueurs does not dispel the similarities between the combining elements, -SCHLÄGER and -STRASSEN, of opposer's and applicant's marks.

Although applicant has demonstrated third-party use of several GOLD-based marks in connection with liqueurs or other liquors, the only common portion of these marks, the word GOLD, is highly suggestive of the gold flakes in these

products, as well as in opposer's and applicant's, and thus has little source-indicating function. Since the remaining elements of these third-party marks are markedly different from the two marks involved here, the marks as a whole are of limited value in resolving the issue of likelihood of confusion. See *Hilson Research Inc. v. Society for Human Resource Management*, 27 USPQ2d 1423 (TTAB 1993). Applicant has shown the use of only one other mark which contains a German or German-sounding suffix, namely, GOLDWASSER.⁷ The other marks such as GOLD STRIKE or GOLD RUSH create entirely different commercial impressions. Thus, we do not find the third-party GOLD- marks shown to be in use to be so similar to the present marks as to prove that purchasers would be accustomed to only slight variations in the marks, or to a plethora of German-sounding marks and thus, would presumably be likely to distinguish between the present marks.

Finally, opposer has raised the question of applicant's intent in adopting the mark GOLDSTRASSEN. Applicant has admitted knowledge of opposer's GOLDSCHLÄGER mark, even before applicant introduced its GOLDHAMMER cinnamon schnapps. While applicant argues that its settlement agreement with opposer with respect to the GOLDHAMMER mark is irrelevant to the determination of likelihood of

⁷ On cross-examination of Mr. Teasdale, he stated that opposer was involved in a civil action involving the use by a third party

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confusion here, applicant at the same time stresses the fact that the settlement demonstrates opposer's acquiescence in use by applicant of GOLDLAKEN, another mark having a German-sounding suffix. Since applicant cannot have it both ways, we find the fact that applicant switched from GOLDLAKEN to GOLDSTRASSEN, after the lack of sales under the former mark, to at least raise some question as to applicant's motive in the adoption of a mark much closer in commercial impression to opposer's GOLDSCHLÄGER mark.

Thus, upon consideration of all the relevant du Pont factors, we find confusion likely if opposer and applicant were to use the marks GOLDSCHLÄGER and GOLDSTRASSEN, respectively, on liqueurs.

Decision: The opposition is sustained and registration is refused to applicant.

R. L. Simms

C. E. Walters

H. R. Wendel
Trademark Administrative Judges,
Trademark Trial and Appeal Board

of the mark GOLD SCHNEE, the only other German-sounding mark mentioned herein.